

NEWS

TENNESSEE DEPARTMENT OF REVENUE

500 Deaderick Street – Andrew Jackson State Office Building – Nashville, TN 37242

NEWS RELEASE

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October 2002 collections of the Tennessee Department of Revenue were \$600,188,542, an increase of \$77,105,565 or 14.7 percent over comparable collections in October 2001.

Sales and use tax collections were \$452,548,472, up \$66,930,816 or 17.4 percent over October 2001 collections. Tax rate increases accounted for over 90% of the increased collections, with \$56,984,237 due to the 1% tax increase and \$4,451,699 due to the single article tax. Including tax changes from the 2002 session, the retail trade group was up 18.2 percent over collections from last year. Contributing to this rise were auto dealers and service stations (up 28.4%), miscellaneous retail stores (up 26.2%), general merchandise stores (up 12.8%), and eating and drinking places (up 16.2%). The only major retail category in decline for the month was food stores (down 0.3%), which are largely exempt from the sales tax increases of July. Sales tax receipts from the services group were up 14.5 percent over comparable collections in October 2001, with hotels and lodging places (up 24.7%), business services (up 13.5%), and auto repair, services and parking (up 12.5%) accounting for the greatest portion of the rise. The non-retail, non-services group was up 15.3 percent, led by communications (up 17.4%).

The credits and refunds due to the franchise and excise tax resulted in net collections of -\$6,552,940, up \$900,408 or 12.1 percent when compared to October 2001 net collections. Separately, the franchise tax collections were \$49,292,976, up \$39,543,355 or 405.6 percent over last year. Excise tax net collections were -\$55,845,916, a decline of \$38,642,947 or 224.6 percent from October 2001 net collections.

Gasoline tax collections were \$56,177,899 in October 2002, \$9,644,758 or 20.7 percent more than October 2001 collections.

Motor vehicle fuel tax collections rose \$3,157,723 or 26.9 percent over last year's collections to \$14,897,762.

Tobacco tax collections were \$9,407,524, an increase of \$2,161,791 or 29.8 percent over collections from the same period one year ago.

Privilege tax collections were \$18,625,649, an increase of \$1,688,528 or 10.0 percent over collections from the same period last year.

Motor vehicle registrations for October 2002 totaled \$17,195,762, an increase of \$1,632,446 or 10.5 percent compared to last October.

Inheritance, gift and estate collections were \$5,421,184, a decline of \$8,154,044 or 60.1 percent when compared to last year's collections.

The Hall income tax collections of \$997,491 were \$2,830,813 or 73.9 percent short of last October's collections.